

Program A: Injured Workers' Benefit Protection

Program Authorization: Sections 1310.1, 1310.3 b(1) and 1310.6 of the Workers' Compensation Act; LA R.S. 23:1291 B (9), (10), (11) and (12); LA R.S. 23:1291 B (4), (13), C (2) and (5); LA R.S. 23:1034.2, LA R.S. 23:1121-1123, LA R.S. 23:1208, LA R.S. 23:1208.1, LA R.S. 23:1208.2, LA R.S. 23:1295, LA R.S. 23:1168-1172.2, LA R.S. 39:1543

PROGRAM DESCRIPTION

The mission of the Injured Workers' Benefit Protection Program is to establish standards of payment as well as utilization and review procedures of injured worker claims; receive, process, hear and resolve legal actions on compliance to state statutes. It is also the mission of this program to educate and influence employers and employees to adopt comprehensive safety and health policies, practices and procedures; and collect fees.

The goals of the Injured Workers' Benefit Protection Program are:

1. Administer a financially sound program to meet current and future claim obligations.
2. Control medical costs.
3. Maximize the quality of care received by workers injured on the job.
4. Administer the resolution of workers' compensation disputes in an efficient, timely, and impartial manner.

The Injured Workers' Benefit Protection Program includes the following activities: mediation and adjudication of all workers' compensation disputes; collection of statistical data on compensable occupational injuries and illnesses; determination of minimum and maximum allowable levels of compensation; development and implementation of medical utilization review procedures; development, implementation and administration of loss prevention safety and health programs; assistance to Louisiana employers with programs pursuant to code of federal regulations (OSHA Consultation); and administration of the Louisiana Cost Containment Program.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2001-2002. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

1.(KEY) To resolve or adjudicate 40% of workers' compensation disputes (or lawsuits) in a fair and expeditious manner before they reach the pre-trial stage.

Strategic Link: *Goal IV - The development of the OWCA into a reporting of expenditures, adjudication of claims, coordination of safer workplaces, and incentives for re-employment of injured workers.*

Louisiana: *Vision 2020 Link:* Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Number of dockets (caseload) ¹	9,154	9,632	8,800	8,800	9,000	9,000
S	Number of mediations held	5,204	4,419	5,125	5,125	5,000	5,000
K	Percentage of mediations resolved prior to pre-trial ²	35%	27%	40%	40%	40%	40%
K	Average days required to close 1008 disputed claims	180	72.5	180	180	180	180
K	Percentage of claims resolved within six months of filing	Not available ³	Not available ⁴	65%	65%	65%	65%

¹ The indicator "number of dockets" includes new 1008 claims and new 1011 settlements. The 1008 form is used by the Office of Workers' Compensation to initiate a disputed workers' compensation claim or lawsuit. Many of these claims are settled or are resolved completely without going to trial. In addition, the 1011 claim form is the Office Workers' Compensation form filed to settle a workers' compensation claim not in litigation, which the workers compensation judge may or may not approve.

² This does not reflect the large number of partial resolutions, where some or most of the disputes in a claim are resolved through mediation. A full resolution is when all disputes within a claim are resolved and the claim is dismissed.

³ New indicator added for FY 2000-2001, therefore the indicator has no yearend standard for FY 1999-2000.

⁴ Data regarding this indicator was no collected prior to its inclusion for budget submission for FY 2000-2001.

2. (SUPPORTING) The Medical Services Section will resolve 100% of the medical disputes filed.

Strategic Link: *Strategy I.1.1 - Install a process to insure regular updates to medical and other applicable fee schedules.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L		PERFORMANCE INDICATOR VALUES					
		YEAREND	ACTUAL	ACT 11	EXISTING	AT	AT
		PERFORMANCE	YEAREND	PERFORMANCE	PERFORMANCE	CONTINUATION	RECOMMENDED
		STANDARD	PERFORMANCE	STANDARD	STANDARD	BUDGET LEVEL	BUDGET LEVEL
	PERFORMANCE INDICATOR NAME	FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
S	Number of medical disputes resolved	1,830	1,110	1,133	1,133	1,246	1,246

3. (KEY) The Fraud Section will complete 87% of all investigations initiated.

Strategic Link: *Goal II - The goal of service integration of OWCA is to foster, establish, and maintain a web-like weave of services for participants in the Workers' Compensation system, from safe workplaces to re-employed workers.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE	ACTUAL YEAREND	ACT 11 PERFORMANCE	EXISTING PERFORMANCE	AT CONTINUATION	AT RECOMMENDED
		STANDARD	PERFORMANCE	STANDARD	STANDARD	BUDGET LEVEL	BUDGET LEVEL
		FY 1999-2000	FY 1999-2000	FY 2000-2001	FY 2000-2001	FY 2001-2002	FY 2001-2002
S	Number of investigations initiated	2,900	3,158	3,200	3,200	3,200	3,200
K	Percentage of initiated investigations completed	90%	81.35%	85%	85%	87%	87%

GENERAL PERFORMANCE INFORMATION: TOTAL RECORDABLE CASE RATE

PERFORMANCE INDICATOR	PRIOR YEAR ACTUAL CY 1995	PRIOR YEAR ACTUAL CY 1996	PRIOR YEAR ACTUAL CY 1997	PRIOR YEAR ACTUAL CY 1998	PRIOR YEAR ACTUAL CY 1999
Reporting employer total recordable incidence rate ¹	1.92	1.78	1.77	1.52	1.68
Total recordable cases ¹	7,250	6,900	7,250	6,200	6,275
Number of employers reporting	32,762	32,766	32,771	32,771	32,755

Explanatory Note: The Total Recordable Case Rate is the ratio of recordable cases in the number of man hours worked compared to a base of 200,000 man hours. This figure is an average for all reporting employers.

¹ This figure is extracted from actual reports.

4.(KEY) The Safety and Health Section will conduct 332 safety compliance inspections of targeted at-risk employers.

Strategic Link: *Strategy II.1.1. - Seeking funding to increase the quantity and quality of workplace safety-related programs in order to decrease the number of workers' compensation claims.*

Louisiana: Vision 2020 Link: Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Number of targeted at-risk employers ¹	162 ²	287	600	600	400	400
K	Targeted at-risk employers inspected	162 ³	287	498	498	332	332
K	Percentage of at-risk employers inspected	100% ⁴	177.2%	83%	83%	83%	83%
K	Number of targeted at-risk employers found to be non-compliant	Not applicable ⁵	Not available ⁶	298	298	199	199
K	Percentage of revisited employers needing safety assistance	Not applicable ⁵	Not available ⁶	60%	60%	60%	60%
S	Number of recurrent violators ⁷	Not applicable ⁸	Not available ⁶	Not applicable ⁸	20 ⁹	25	25

¹ Targeted at risk employers are those that have incidence rates higher than their Standard Industrial Classification (SIC) .

² The indicator was formerly reported as the "number of employers safety plans reviewed."

³ The indicator was formerly reported as the "number of performance safety audits conducted and completed."

⁴ The indicator was formerly reported as the " percentage of safety audits conducted."

⁵ New indicator added for FY 2000-2001, therefore the indicator has no yearend performance standard for FY 1999-2000.

⁶ This information was not previously captured in the database , therefore no historical data is available at this time.

⁷ A recurrent violator is an employer who was targeted, visited, found to be compliant, and ultimately approved as compliant during the previous three years; and who was once again been targeted, visited and found to be non-compliant during the current year.

⁸ New indicator added for FY 2001-2002, therefore the indicator has no yearend performance standard for FY 1999-2000, or an actual yearend performance figure for FY 1999-2000. In addition, the indicator did not appear in Act 11, and therefore has no Act 11 standard.

⁹ This figure is an estimate and not a standard.

5. (KEY) The Occupational Safety and Health Administration (OSHA) Consultation section will respond to 90% of requests received from high hazard private employers having fewer than 500 employees, and identify serious hazards and imminent dangers at 100% of the facilities requesting customized program assistance and training within 45 days of the request.

Strategic Link: *Strategy III.1.1 - Seek funding to increase the quantity and quality of workplace safety-related programs in order to decrease the number of workers' compensation claims.*

Louisiana: *Vision 2020 Link:* Not applicable

Children's Cabinet Link: Not applicable

Other Link(s): Not applicable

L E V E L	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1999-2000	ACTUAL YEAREND PERFORMANCE FY 1999-2000	ACT 11 PERFORMANCE STANDARD FY 2000-2001	EXISTING PERFORMANCE STANDARD FY 2000-2001	AT CONTINUATION BUDGET LEVEL FY 2001-2002	AT RECOMMENDED BUDGET LEVEL FY 2001-2002
S	Number of requests received	106	287	132	132	250	250
K	Total number of visits	687	630	625	625	641	641
K	Total visits closed	687	500	625	625	641	641
K	Average number of days between requests and visits to high hazard employers with employment between 1 -500	93	38.7958	50	50	45	45
K	Average number of days from visit close to case closure	60	38.8961	50	50	50	50
K	Percentage of high hazards initial visit requests received	90%	105.57%	90%	90%	90%	90%
S	Number of consultation inquiries	Not applicable ¹	Not available ¹	500	500	500	500
K	Percentage of facilities requesting customized program consultation assistance, training, and onsite services	Not applicable ¹	Not available ¹	100%	100%	100%	100%

¹ This indicator was added for FY 2000-2001, therefore the indicator has no yearend standard for FY 1999-2000. Information was regarding the indicator was not tracked prior to its inclusion for budget development in FY 2000-2001.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1999 - 2000	ACT 11 2000 - 2001	EXISTING 2000 - 2001	CONTINUATION 2001 - 2002	RECOMMENDED 2001 - 2002	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	9,249,259	9,742,416	9,742,416	9,633,096	9,540,368	(202,048)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	542,327	542,327	542,327	616,720	545,025	2,698
TOTAL MEANS OF FINANCING	\$9,791,586	\$10,284,743	\$10,284,743	\$10,249,816	\$10,085,393	(\$199,350)
EXPENDITURES & REQUEST:						
Salaries	\$5,204,043	\$5,682,170	\$5,682,170	\$5,466,428	\$5,502,479	(\$179,691)
Other Compensation	205,938	258,360	258,360	258,360	258,360	0
Related Benefits	978,631	1,031,468	1,031,468	1,071,359	1,022,122	(9,346)
Total Operating Expenses	1,999,039	1,961,235	1,961,235	2,078,699	1,927,462	(33,773)
Professional Services	700,167	700,000	700,000	700,000	700,000	0
Total Other Charges	440,442	433,682	433,682	433,682	433,682	0
Total Acq. & Major Repairs	263,326	217,828	217,828	241,288	241,288	23,460
TOTAL EXPENDITURES AND REQUEST	\$9,791,586	\$10,284,743	\$10,284,743	\$10,249,816	\$10,085,393	(\$199,350)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	164	161	161	161	151	(10)
Unclassified	1	1	1	1	1	0
TOTAL	165	162	162	162	152	(10)

SOURCE OF FUNDING

This program is funded with Statutory Dedications and Federal Funds. The Statutory Dedications are derived from the Worker Compensation Fund. (Per R.S. 39:32B. (8), see table below for a listing of expenditures out of each statutory dedicated fund). The Worker Compensation Fund receives revenues from an assessment on all insurance companies and self-insurer's writing worker's compensation insurance in Louisiana. Such assessments are a percentage of the amount reported in the annual reports. The Federal Funds are derived from an Occupational Safety Health Administration (OSHA) statistical grant. This grant requires a 10% match from the Worker's Compensation Fund.

ACTUAL	ACT 11	EXISTING	CONTINUATION	RECOMMENDED	RECOMMENDED
1999- 2000	2000 - 2001	2000 - 2001	2001 - 2002	2001 - 2002	OVER/(UNDER)
					EXISTING
\$9,249,259	\$9,742,416	\$9,742,416	\$9,633,096	\$9,540,368	(\$202,048)

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$10,284,743	162	ACT 11 FISCAL YEAR 2000-2001
			BA-7 TRANSACTIONS:
\$0	\$0	0	None
\$0	\$10,284,743	162	EXISTING OPERATING BUDGET – December 15, 2000
\$0	\$363,457	0	Annualization of FY 2000-2001 Classified State Employees Merit Increase
\$0	\$363,458	0	Classified State Employees Merit Increases for FY 2001-2002
\$0	(\$33,773)	0	Risk Management Adjustment
\$0	\$241,288	0	Acquisitions & Major Repairs
\$0	(\$217,828)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$604,086)	0	Salary Base Adjustment
\$0	(\$159,348)	(6)	Attrition Adjustment
\$0	(\$152,518)	(4)	Personnel Reductions
\$0	\$10,085,393	152	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$10,085,393	152	BASE EXECUTIVE BUDGET FISCAL YEAR 2001-2002
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$10,085,393	152	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 98.0% of the existing operating budget. It represents 97.0% of the total request (\$10,396,718) for this program. The 3% decrease is due salary base adjustments. This program has ten (10) positions that have been vacant for one (1) year or more.

PROFESSIONAL SERVICES

\$50,000	Legal Medical-Review of claims for health care rates to insure accuracy and appropriateness
\$285,000	Court Reporters to work with administrative law judges to provide on-site technical assistance in establishing rehabilitation review and monitoring system
\$347,000	Bailiffs (off duty sheriff deputies to maintain security in courtroom for Administrative Law Judges in Alexandria, Baton Rouge, Franklinton, Houma, Harvey, Lafayette, Lake Charles, Monroe, New Orleans, and Shreveport districts)
\$10,000	This provides assistance to citizens throughout Louisiana on information which may lead to an arrest and indictment; to receive information relating to workers' comp fraud from anonymous citizens/callers; and to provide cash rewards for information relating to Office of Workers' Compensation Fraud.
\$8,000	This provides for the Occupational Safety Health Administration to install Microsoft Office that includes Word, Access and Excel that interfaces together. This also establishes a standard conversion method for importing National Council of Compensation Insurance data into Microsoft Access.
\$700,000	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$38,103	Legislative Auditor
\$38,103	SUB-TOTAL OTHER CHARGES
	Interagency Transfers:
\$234,790	Department of Justice-Legal Services
\$16,803	Department of Civil Service-Document Processing Fee
\$11,905	Division of Administration-Comprehensive Public Training Program (CPTP)
\$84,008	Office of Employment Security-Fraud investigation of Worker's Compensation Claims
\$48,073	Rent in State-owned Buildings
\$395,579	SUB-TOTAL INTERAGENCY TRANSFERS
\$433,682	TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$241,288	This funding will purchase 86 pc's, 5 network servers and 3 scanners.
\$241,288	TOTAL ACQUISITIONS AND MAJOR REPAIRS